

Registration number: 01431836

FLORENCE NIGHTINGALE HOSPITALS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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FLORENCE NIGHTINGALE HOSPITALS LIMITED

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FLORENCE NIGHTINGALE HOSPITALS LIMITED

COMPANY INFORMATION

Directors	P Clery-Melin M Thomas
Company secretary	S Saleem
Registered office	11-19 Lisson Grove London NW1 6SH
Independent Auditor	Harmer Slater Limited Statutory Auditor Salatin House 19 Cedar Road Sutton Surrey SM2 5DA

FLORENCE NIGHTINGALE HOSPITALS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report for the year ended 31 December 2016.

Fair review of the business

The company's principal activity during the year continued to be the operation of a private hospital supplying psychiatric and related treatments.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2016	2015
Turnover	£	15,591,204	14,256,245
Operating (loss)/profit	£	(53,366)	985,908
Profit/(loss) after tax	£	(54,270)	986,157
Total number of beds (Licensed)		82	82
Bed Occupancy	%	61	55
Average number of employees (Including temporary staff)		213	197

The average number of employees during the year flexed in line with activity and clinical need.

Environmental matters

The company continually refines its detailed policies and procedures in respect of health and safety, and environmental matters. The impact of its business on the environment is taken seriously and the company has in place safeguards to protect the environment from pollution. The company seeks to minimise any disturbance to the local and global environment and to the quality of life of local communities.

Employee involvement

The company's philosophy is to encourage all of its employees to contribute to improving the business's performance through the utilisation of their knowledge, experience and ideas. Communication with the employees individually is achieved through information bulletins, team briefings and regular management contact.

Employment of disabled persons

The company recognises that it has clear obligations towards all its employees and the community at large to ensure that people with disabilities are afforded equal opportunities to enter employment and progress with the company.

In addition to complying with the requirements of the Equality Act 2010 and the Disability Discriminations Act 1995, the company will follow procedures designed to provide for fair consideration and selection of disabled applicants and to satisfy their training and career development needs. When employees become disabled in the course of their employment, the company will attempt to ensure they remain in employment by making reasonable adjustments to accommodate their disability.

FLORENCE NIGHTINGALE HOSPITALS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

Principal risks and uncertainties

- **Competitive risks**

The company is reliant on the number of predominantly non-contracted patient referrals it receives from private referrers. The level of patient referrals is therefore uncertain.

- **Pricing levels**

Pricing remains competitive and generally more stable with longer term contracts in place with the major insurers.

- **Liquidity and cash flow**

Trading growth and a lowered cost base has improved the company's liquidity. The company is free of debt or liabilities outside of standard trade creditors.

- **Legislative risks**

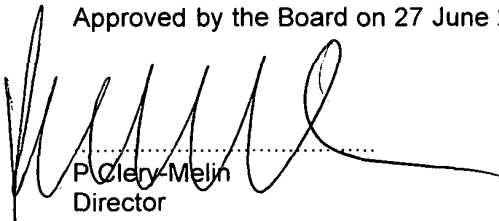
The psychiatric services performed by the company must comply with Care Standards Act 2000 and Mental Health Act 2007. These standards are subject to continuous revision and any material changes could be detrimental to the company's financial results.

Future developments

The services offered at the hospital have been expanded to reflect innovative changes in mental health delivery.

The hospital continues to adapt the operational model in order it meets the regulatory requirements.

Approved by the Board on 27 June 2017 and signed on its behalf by:



P. Clery-Melin
Director

FLORENCE NIGHTINGALE HOSPITALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the audited financial statements for the year ended 31 December 2016.

Strategic report

In accordance with s. 414C(11) of the Companies Act 2006, the Company has chosen to include certain information in the strategic report as follows:

- Review of business and future development; and
- Principal risks and uncertainties.

Principal activity

The principal activity of the company is the operation of a private hospital supplying psychiatric and related treatments.

Directors of the company

The directors who held office during the year and up to the date of signing the financial statements were as follows:

P Clery-Melin

M Thomas

J M Cottin (dismissed 29 July 2016)

Going concern

The directors have considered financial projections for the company over the foreseeable future which indicate a continued improvement in trading performance. After making enquiries, the directors are satisfied that the company has sufficient resources to continue in operation for the foreseeable future and no significant financial support from the parent undertaking or other external sources is envisaged. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Events after the financial period

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or a disclosure in, the financial statements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information (as defined by section 418 of the Companies Act 2006) and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

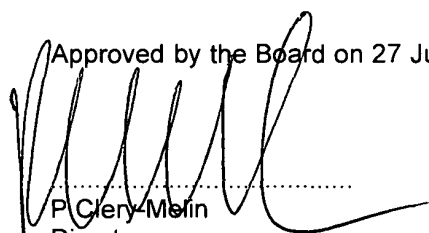
FLORENCE NIGHTINGALE HOSPITALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

Reappointment of auditor

Harmer Slater Limited are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continued in force under the Companies Act 2006.

Approved by the Board on 27 June 2017 and signed on its behalf by:



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P Clery-Melin
Director

FLORENCE NIGHTINGALE HOSPITALS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FLORENCE NIGHTINGALE HOSPITALS LIMITED

We have audited the financial statements of Florence Nightingale Hospitals Limited for the year ended 31 December 2016, set out on pages 9 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

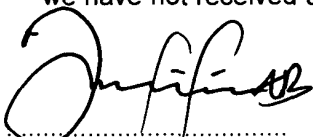
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
FLORENCE NIGHTINGALE HOSPITALS LIMITED (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ransford Agyei-Boamah (Senior Statutory Auditor)

For and on behalf of Harmer Slater Limited, Statutory Auditor

Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

27 June 2017

FLORENCE NIGHTINGALE HOSPITALS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Revenue	3	15,591,204	14,256,245
Cost of sales		<u>(11,463,766)</u>	<u>(10,201,459)</u>
Gross profit		4,127,438	4,054,786
Administrative expenses		<u>(4,180,804)</u>	<u>(3,068,878)</u>
Operating (loss)/profit	4	(53,366)	985,908
Interest receivable and similar income	5	294	249
Interest payable and similar charges	6	<u>(1,198)</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation		<u>(54,270)</u>	<u>986,157</u>
(Loss)/profit for the financial year		(54,270)	986,157
Retained earnings brought forward		4,008,303	3,672,146
Dividends paid		<u>-</u>	<u>(650,000)</u>
Retained earnings carried forward		<u><u>3,954,033</u></u>	<u><u>4,008,303</u></u>

All of the companies activities during the current and previous year were derived from continuing operations.

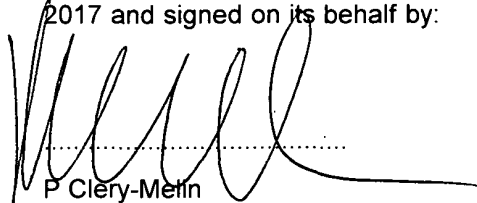
The notes on pages 11 to 25 form an integral part of these financial statements.

FLORENCE NIGHTINGALE HOSPITALS LIMITED

(REGISTRATION NUMBER: 01431836) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Non-current assets			
Intangible assets	11	464,238	468,982
Property, plant and equipment	12	<u>4,562,053</u>	<u>4,383,761</u>
		<u>5,026,291</u>	<u>4,852,743</u>
Current assets			
Inventories	13	22,623	20,524
Receivables	14	3,339,634	2,258,022
Cash at bank and in hand	15	<u>95,346</u>	<u>423,431</u>
		3,457,603	2,701,977
Payables: Amounts falling due within one year	16	<u>(2,219,861)</u>	<u>(1,236,417)</u>
Net current assets		<u>1,237,742</u>	<u>1,465,560</u>
Net assets		<u>6,264,033</u>	<u>6,318,303</u>
Equity			
Called up share capital	18	1,510,000	1,510,000
Capital contribution reserve	18	800,000	800,000
Retained earnings	18	<u>3,954,033</u>	<u>4,008,303</u>
Total equity		<u>6,264,033</u>	<u>6,318,303</u>

These Financial Statements were approved and authorised for issue by the Board on 27 June 2017 and signed on its behalf by:


 P Clery-Mellin
 Director

The notes on pages 11 to 25 form an integral part of these financial statements.

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 GENERAL INFORMATION

Florence Nightingale Hospitals Limited is a private company limited by share capital incorporated in England and Wales, under the Companies Act 2006.

The address of its registered office and principal place of business is 11-19 Lisson Grove, London, NW1 6SH .

The nature of the company's principal activities are set out in the Directors' report on page 4.

2 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

Following a review of the company's forecasts and available resources from the company's group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing its financial statements.

Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of the company is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the company operates.

The financial statements are presented in pound sterling (£).

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Summary of disclosure exemptions

The company is a qualifying entity (for the purposes of FRS102) and in consequence has taken advantage of the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- the requirement to disclose transactions with group entities
- financial instrument disclosures, including: categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments and exposure to and management of financial risks

Name of parent of group

These financial statements are consolidated into the financial statements of Groupe Sinuoe.

The financial statements of Groupe Sinuoe may be obtained from 11 bis rue de la Porte Jaune, 92380 Garches, France.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Property, plant and equipment

The company establishes a reliable estimate of the useful life of tangible fixed assets; this estimate is based on a variety of factors which may be uncertain.

The carrying amount is £4,562,053 (2015 - £4,383,761)

(ii) Accounts receivable

Accounts receivable are derived from sales. In order to monitor potential credit losses, an ongoing evaluation of the balances outstanding are performed. An allowance for doubtful debts is maintained for potential credit losses based upon management's assessment of the expected collectability of all accounts receivable. The allowance for doubtful accounts is reviewed periodically to assess the adequacy of the allowance. The actual level of debt collected may differ from the estimated levels of recovery and could impact future operating results positively or negatively. As at 31 December 2016 the company's current trade receivables were £2,744,333 against which £370,000 was provided for impairment.

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Key sources of estimation uncertainty (continued)

(iii) Deferred tax

At December 2016, the company had unrelieved tax losses of approximately £7,300,000. No deferred tax asset has been recognised in respect of these tax losses. In the directors' opinion, there may not be other future taxable profits/gains against which the tax losses will be relieved and consequently have not recognised any deferred tax asset in respect of these losses.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Revenue is recognised as services are provided/delivered and direct expenses are incurred.

Foreign currency transactions and balances

Transactions in foreign currencies included in the statement of income and retained earnings are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the statement of income and retained earnings.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible fixed assets represents computer software which is stated in the statement of financial position at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

The cost of computer software includes directly attributable incremental costs incurred in their acquisition and installation.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Computer software	Straight line over 5 years

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold improvements	Straight line over 10 to 30 years
Equipment and furnishings	Straight line over 5 to 7 years

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank current account balances and are subject to insignificant risk of change in value.

Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholder is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable.

3 REVENUE

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016 £	2015 £
Provision of services	15,523,961	14,171,436
Rental income	67,243	84,809
	<u>15,591,204</u>	<u>14,256,245</u>

4 OPERATING LOSS

Operating (loss)/profit is stated after charging:

	2016 £	2015 £
Depreciation expense	522,379	418,662
Amortisation expense	102,017	-
Foreign exchange gains	56,180	-
Operating lease expense - land and buildings	1,963,777	1,850,336
Operating lease expense - plant and machinery	<u>31,867</u>	<u>30,647</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £	2015 £
Interest receivable	<u>294</u>	<u>249</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest expense on loans from group undertakings	<u>1,198</u>	<u>-</u>

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

7 STAFF COSTS

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	6,060,325	5,073,132
Social security costs	547,883	514,647
Pension costs, defined contribution scheme	135,807	135,497
	<u>6,744,015</u>	<u>5,723,276</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Medical and nursing	65	61
Administration	81	83
	<u>146</u>	<u>144</u>

8 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	604,079	203,191
Contributions paid to money purchase schemes	2,168	8,670
	<u>606,247</u>	<u>211,861</u>

During the year the number of directors who were receiving benefits was as follows:

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

8 DIRECTORS' REMUNERATION (CONTINUED)

	2016 £	2015 £
Remuneration	604,079	203,191
Company contributions to money purchase pension schemes	<u>2,168</u>	<u>8,670</u>

9 AUDITORS' REMUNERATION

	2016 £	2015 £
Audit of the financial statements	<u>10,500</u>	<u>11,400</u>
Other fees to auditors		
Other non-audit services	<u>6,540</u>	<u>9,500</u>

10 TAXATION

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	<u>-</u>	<u>-</u>

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

10 TAXATION (CONTINUED)

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £	2015 £
(Loss)/profit before tax	<u>(54,270)</u>	<u>986,157</u>
Corporation tax at standard rate	(10,854)	197,231
Effect of expense not deductible for tax purposes	-	57
Effect of tax losses	20,663	(169,376)
Capital allowances in excess of depreciation	(11,536)	(30,233)
Other tax effects	<u>1,727</u>	<u>2,321</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Deferred tax assets in respect of trading losses have not been recognised as their future recovery is uncertain or not currently anticipated. The amount not recognised in the period was £659,587 (31 December 2015 - £550,416).

Deferred tax assets in respect of capital losses have not been recognised as their future recovery is uncertain or not currently anticipated. The amount not recognised in the period was £801,475 (31 December 2015 - £890,528).

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11 INTANGIBLE ASSETS

	Computer software £
Cost	
At 1 January 2016	468,982
Additions	<u>97,273</u>
At 31 December 2016	<u>566,255</u>
Amortisation	
Amortisation charge	<u>102,017</u>
At 31 December 2016	<u>102,017</u>
Carrying amount	
At 31 December 2016	<u>464,238</u>
At 31 December 2015	<u>468,982</u>

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

12 PROPERTY, PLANT AND EQUIPMENT

	Equipment and furnishings £	Long leasehold improvements £	Total £
Cost			
At 1 January 2016	1,266,719	4,463,173	5,729,892
Additions	<u>59,060</u>	<u>641,611</u>	<u>700,671</u>
At 31 December 2016	<u>1,325,779</u>	<u>5,104,784</u>	<u>6,430,563</u>
Depreciation			
At 1 January 2016	454,273	891,858	1,346,131
Charge for the year	<u>236,419</u>	<u>285,960</u>	<u>522,379</u>
At 31 December 2016	<u>690,692</u>	<u>1,177,818</u>	<u>1,868,510</u>
Carrying amount			
At 31 December 2016	<u>635,087</u>	<u>3,926,966</u>	<u>4,562,053</u>
At 31 December 2015	<u>812,446</u>	<u>3,571,315</u>	<u>4,383,761</u>

13 INVENTORIES

	2016 £	2015 £
Hospital supplies	<u>22,623</u>	<u>20,524</u>

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

14 RECEIVABLES

	Note	2016 £	2015 £
Trade receivables		2,374,333	1,448,080
Amounts owed by immediate parent undertaking	20	67,328	-
Other receivables		4,854	10,450
Prepayments and accrued income		893,119	799,492
		<u>3,339,634</u>	<u>2,258,022</u>

15 CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash on hand	964	4,104
Cash at bank	94,382	419,327
	<u>95,346</u>	<u>423,431</u>

16 PAYABLES

	Note	2016 £	2015 £
Due within one year			
Trade payables		950,006	480,589
Amount due to group undertaking	20	171,853	21,738
Social security and other taxes		156,884	161,167
Outstanding defined contribution pension costs		41,545	46,501
Accrued expenses		899,573	526,422
		<u>2,219,861</u>	<u>1,236,417</u>

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

17 PENSION

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £135,807 (2015 - £135,497).

Contributions totalling £41,545 (2015 - £46,501) were payable to the scheme at the end of the year and are included in creditors.

18 SHARE CAPITAL

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,510,000</u>	<u>1,510,000</u>	<u>1,510,000</u>	<u>1,510,000</u>

The company has one class of share which carries no right to fixed income.

Reserves

The retained earnings reserve represents cumulative profit or losses net of dividends paid and other adjustments.

The capital contribution reserve represents a contribution from the parent undertaking which is unconditional and any repayment is at the sole discretion of the company.

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

19 OBLIGATIONS UNDER LEASES

Operating leases

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	1,981,872	1,924,148
Later than one year and not later than five years	8,540,156	10,522,028
Later than five years	<u>70,159,268</u>	<u>70,159,268</u>
	<u>80,681,296</u>	<u>82,605,444</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,963,777 (2015 - £1,850,336).

20 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary member of its group and has therefore taken advantage of the provisions of Section 33. 1A of FRS 102 the "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with entities that are wholly owned members of the the group.

There were no other related party transactions to disclose.

21 PARENT AND ULTIMATE PARENT UNDERTAKING

The company's immediate parent is Sinoue UK Limited, incorporated in England and Wales.

The ultimate parent and controlling party is Groupe Sinoue, registered in France.

The parent of the smallest and the largest group in which these financial statements are consolidated is Groupe Sinoue, registered in France.

The address of Groupe Sinoue is:

11 bis rue de la porte Jaune, 92380 Garches, France

FLORENCE NIGHTINGALE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

22 EVENTS AFTER THE FINANCIAL PERIOD

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or a disclosure in, the financial statements.